

MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
THURSDAY, FEBRUARY 5, 2009, 2:00 P.M.
Room W020, House Building, State Capitol Complex

Members Present: Sen. John Valentine, Co-Chair
 Rep. Kory M. Holdaway, Co-Chair
 Sen. Ross I. Romero
 Sen. Stephen H. Urquhart
 Rep. Trisha S. Beck
 Rep. Melvin R. Brown
 Rep. Bradley M. Daw
 Rep. Kay L. McIff
 Rep. Carol Spackman Moss
 Rep. Evan J. Vickers
 Rep. C. Brent Wallis
 Rep. R. Curt Webb
 Rep. Mark A. Wheatley

Members Absent: Sen. Gregory S. Bell

Staff Present: Spencer Pratt, Fiscal Manager
 Lorna Wells, Secretary

Public Speakers Present: President Stan Albrecht, Utah State University
 Ned Weinshenker, VP for Strategic Ventures & Economic Development
 Dr. Jeff Muhs, USU Alternative Energy Research
 President Ann Millner, Weber State University
 Mr. Curt Roberts, Assistant Provost/Director WSU USTAR Outreach
 Mr. Mike Freeman, UALC Chair
 Ms. Sandra McIntyre, Mountain West Digital Library Program Director

A list of visitors and a copy of handouts are filed with the committee minutes.

Committee Co-Chair Holdaway called the meeting to order at 2:20 p.m.

1. Utah State University.

Legislative Fiscal Analyst - Mr. Pratt discussed the Budget Brief for Utah State University, which is behind Tab #7 in the binder. Mr. Pratt reported that the total FY 2008 Budget was \$239,487,200. The appropriated FY 2009 Budget was \$232,206,200. Further reduction mean that the Budget for FY 2010 will be 229,474,800. Page 1 of the Budget Brief shows the budget history, the FTE history, and the FY 2010 funding mix. Page 2 shows retention rates, time to graduation, and the number of research grants. Page 4 is the Budget Detail table.

President Stan Albrecht introduced student leaders from Utah State University. Utah State is part of the great armada of land-grant universities. In the 1860's congress built a system of land-grant universities. USU was a part of that system. Initially, the focus was on teaching and learning, then agricultural experimentation and research discovery, and the third component was the extension component. USU is a statewide university, with campuses in the Uintah Basin, Tooele, Brigham City,

and partnerships with CEU and Snow. Due to the funding of expansion in the regional centers, there has been growth in the regional campuses. The enrollment growth from January of last year to January of this year is the largest in history. This is particularly true of the regional campuses. He discussed the expansion in the Uintah Basin. USU focuses on excellence in everything.

Vice President Weinshenker discussed the sunrise sessions that are available at USU. The University brings in \$160 million of external research funding. He discussed how research fuels economic development. Research projects at USU have been responsible for 60 start-up companies in the last five years in Utah, most of them are in the Cache Valley area, and twelve new patents in the last three years. Dr. Weinshenker discussed these specific research projects: 1) 3-D Texel Technology, 2) Space Dynamics Laboratory, USU has more research projects in space than any other university in the world, 3) Utah Water Research Laboratory which deals with water and land management, and 4) Alternative Energy R & D.

Dr. Jeff Muhs is Director of Alternative Research Team. Dr. Muhs discussed the research at USU with respect to Alternative Energy. He discussed algae biofuels, including some of the advantages of using algae over corn. Algae has a much better carbon footprint as well. USU is partnered with many organizations. They have been using optical materials to more effectively grow algae. USU has an opportunity to encourage economic development in this area. Dr. Muhs discussed an alternative to hybrids using biofuels. They are looking at intuitive buildings to continually adapt the lighting and heating needs based on the occupants. They are also looking at applied research. Utah is the only state that has abundant supplies of next generation energy resources. Energy will be an economic driver of the future, USU can be a great resource in this field.

Rep. McIff asked about the extent to which algae can be mass produced.

Dr. Muhs reported there are two schools of thought 1) open ponds; and 2) enclosed systems, tubular reactors with sophisticated optics. Because open ponds have many drawbacks, USU is focusing on the enclosed tubular reactor systems.

Sen. Valentine asked if there is a waste product from this algae.

Dr. Muhs said that there is a waste stream; but once the oil is extracted; 40 percent of the waste stream can be used for animal feed; the water can be recycled; and there are carbon dioxide emissions.

Rep. Daw asked when the oil is extracted, can it be refined?

Dr. Muhs explained that the oil is primarily biodiesel. There is a process in the oil conversion, they are working to get 100 percent of the algae converted.

Rep. Webb asked if a truck would have to be adjusted to run on biodiesel and whether a company could produce their own biodiesel.

Dr. Muhs said that there is still some testing to find the adjustments needed for current automobiles. It would probably not be economically feasible for companies to produce their own biodiesel fuel.

Pres. Albrecht also briefly described the other USTAR teams.

2. Weber State University.

Legislative Fiscal Analyst - Mr. Pratt discussed the Budget Brief for Weber State which is behind Tab #8 in the binder. Page 1 shows the budget history, FTE history, and FY 2010 funding mix. Page 2 shows the retention rates, time to graduation, and the ratio of courses taught by regular faculty to adjunct faculty. Page 4 contains the budget detail table. The original FY 2008 base was \$113,956,800. The appropriated FY 2009 base was \$112,580,100. With further reduction, the FY 2010 Base Budget is \$112,105,000.

Pres. Millner expressed thanks to the Legislature for the funding to enable the completion of the Elizabeth Hall building. Every student at WSU will take a class in this building. Weber State's mission is a comprehensive, multi-campus teaching university. WSU is both a community college and a university for their region, and WSU is preparing Utah's workforce and citizens. In addition to the Ogden campus, WSU has a campus in Davis County, as well as outreach programs across the state. WSU has a growing on-line program. WSU serves Utah citizens, 92 percent of the students are from Utah, 41 percent of degrees are at the associate degree level. There are three schools in the state who grant associate degrees which are ranked nationally: SLCC is 9th, UVU is 32nd, and WSU is 57th. Pres. Millner said that in looking at the percentage of student population age 25 and older, WSU has the largest percentage in the nation. WSU also has a strong Career and Technical Education program. Pres. Millner demonstrated how the community college/university model is accomplished by using the nursing program as an example. She discussed how students might move from LPN to RN, then to a Bachelor's Degree (BRN) and then even to the Master's of Nursing (MRN). This is a seamless transition for the students.

Rep. Holdaway thanked Pres. Millner and commended WSU on this model and the information presented. He commented that it is quite an accolade for Utah to have three institutions in the top 100 of the nation.

Rep. Vickers asked if IHC's new bachelor's requirement has impacted WSU.

Pres. Millner reported that because of the seamless model, these health care workers can come back to WSU to receive the required education levels.

Sen. Valentine asked what is driving the market to the bachelor's degree.

Pres. Millner said that as nurses take more leadership and decision making roles in the health care industry, more education is required.

Rep. Beck commended WSU for their efforts. She mentioned that students are willing to travel distances to receive this education.

Rep. Webb asked if the B S N is required to teach.

Pres. Millner said that health care organizations are changing their requirements, so it is more employment driven. For some of the courses, faculty members with bachelor's degrees can teach, but for accreditation purposes, they more frequently require a Master's Degree in Nursing. It is often difficult for WSU to obtain qualified faculty because there is a market demand for M.S.N. WSU has to find individuals who are willing to take a much lower salary to teach than they could in obtain in the workplace.

Pres. Millner reported that there are many health profession programs in addition to nursing. The health professions area has the largest number of degrees at WSU. They try to meet the workforce needs in WSU's surrounding area. In the last few years, WSU has produced almost 40 percent of the health care professions in the state. WSU provides the 2nd highest number of Bachelor's degrees in Education in the state. The MBA program at Weber has grown by 52 percent.

Rep. Holdaway asked if private institutions are considered in these statistics.

Pres. Millner answered that private institutions are not included, but WSU is focusing on Utah students, 92 percent of WSU's students are from Utah. Many of the students at the private institutions are from out of state. Pres Millner then discussed the vision for the future. WSU would like to be a more well-developed multi-campus university. Students have very diverse needs, WSU needs to be flexible. WSU wants to be recognized for integrating research with student learning. Recently, WSU has been working with HAFB. WSU wants to be a community and economic driver for Northern Utah, so that students receive cutting-edge training. Pres. Millner stated that WSU is an exceptional comprehensive university and highlighted many areas of recognition that WSU has received on the national level. She distributed copies of WSU's annual report. WSU is working to use virtual reality as a teaching tool.

Mr. Curt Roberts is from the USTAR Northern Utah Technology Outreach Center. Mr. Roberts explained that WSU is the business partner for Utah. There are four main areas: 1) The Northern Utah Technology Outreach Center plays a critical role in the support of commercialization of on-going research going. 2) Millions of dollars in financing for early stage technology based ventures is being attracted to the state, this entrepreneurial support is critical for the success of these projects. Some of the money is from Utah for Utah, but there is also money coming in from outside the state to invest in Utah companies. 3) The Outreach Center is able to attract more research collaboration between the outreach centers. 4) USTAR is all about inventions and innovations. The Outreach center wants to protect intellectual property. Mr. Roberts' team helps with patent applications, they do initial patent searches.

The Outreach Center is the business partner for USTAR. They conduct market analysis, develop business plans, provide customer and business partner services, determine marketability, funding, invention development, and introductions to equity investor groups. They have had several aeronautical sponsored projects.

Rep. Wallis commented that one of the most difficult aspects of research is the commercialization of these endeavors. This part of USTAR is equally important.

Pres Millner stated that they want this to be synergistic with students, faculty and the companies they are working with.

Rep. Vickers expressed thanks for the Subcommittee's support of the USTAR initiative and the institutions involved with USTAR.

Rep. McIff commented that WSU has a good sense of its mission. He asked that as the demand for nursing holds strong, is WSU meeting that demand?

Pres. Millner reported that the demand is continuing to expand. Pres. Millner reported that graduates are getting jobs.

Pres. Millner expressed gratitude for the assistance given for the 2009 FY budget.

3. Utah Academic Library Consortium.

Mr. Mike Freeman is the Library Director at Utah Valley University. He is also the Current Chair of the Utah Academic Library Consortium. The UALC is a model of cooperation between institutions in the state for leveraging dollars. Approximately \$1.4 million has been appropriated for the UALC, this funding resides in the Regents Office. This money is used to purchase scholarly journal databases which are delivered to all of the USHE institutions, as well as partner institutions in neighboring states. By partnering, the UALC saves approximately \$600,000 by amassing the FTE's together. UALC shares technical expertise, collections, and information management. There is cooperation amongst all of the system libraries. The on-line library system at CEU is actually housed at the University of Utah. Student cards are valid at any library in the state system. BYU and Westminster are also part of the library consortium.

Ms. Sandra McIntyre is the Mountain West Digital Library Program Director. Ms. McIntyre discussed the Digital Library program. The MWDL provides centralized access to digital collections in and about the Mountain West. They are digitizing support for partner organizations, including educational organizations, public libraries, museums, government entities, and historical societies. The MWDL has scanned over 1,000,000 documents. These include historical documents and records, photographs, maps, scholarly manuscripts, Utah newspapers, and audio instruction tapes and world histories. They have ten hubs which act as digitization centers at the major universities in the state. They provide services to patrons through the door and on-line to search and find valuable historical and cultural heritage materials. This digital information is searchable by word. They would like to expand the digital project. They have identified many other publications that they would like to digitize. They need \$400,000 to cover this cost; they have identified 17 more rural newspapers. The approximate cost to digitize is \$1.17 per page. The MWDL would like to expand its historical and contemporary collections, as well as ethnic papers.

Rep. Beck asked if this can be accessed from home computers.

Ms. McIntyre stated that the service has been available on-line since 2002. The state Pioneer Library site does require login information.

4. Historical Funding Issue Brief.

Mr. Pratt explained that the Higher Education Historical Funding Issue Brief is located under Tab #3 of the binder. Mr. Pratt referred to the graph on Page 1 that shows that in 1985 state funds provided about 76 percent of funding for higher education, in 2008 the average is 63 percent. Mr. Pratt also showed that in 1985 the percentage of funding for each institution was clustered close together. However, in 2008, the funding is more widely dispersed. The CEU receives 87 percent and the UVU receives 52 percent. This trend is not uncommon throughout the U.S. There has been a decrease in state support throughout the country.

Rep. Holdaway said that the Subcommittee needs to look at this issue; it is important that the dedicated credits portion is also analyzed. Any salary increases that are proposed in the future, become a dedicated credit increase of a certain percentage. This is an important issue to understand.

Rep. Daw expressed concern at how much the disparity has increased.

MOTION: Committee Co-Chair Holdaway made the motion to adjourn.

Committee Co-Chair Valentine adjourned the meeting at 4:30 p.m.

Minutes were reported by Lorna Wells, Secretary.

Sen. John Valentine, Committee Co-Chair

Rep. Kory M. Holdaway, Committee Co-Chair